



The Insider

www.senate.mi.gov/switalski

Inside State Politics with State Senator Mickey Switalski Senate District 10

February 18, 2005

Welcome to the electronic version of *The Insider*. I would like to take the opportunity to thank you for your support and giving me an opportunity to represent you in the Michigan Senate. It is my sincere hope that this bi-weekly e-newsletter will keep you informed of the happenings in Lansing while staying true to the traditional style of *The Insider*. If you would like to contact me, please feel free to e-mail me at senmswitalski@senate.michigan.gov or call me at my Roseville or Lansing office. You can also meet me in person during my constituent hours, coming to a library near you. Call my office and make an appointment or just walk in. See schedule for details.

Mickey's Blog: The State of State

The Governor gave her annual State of the State message recently. The speech marks the biggest ceremonial occasion of the year in Lansing. There are lots of parties and receptions both before and after the speech, which is televised statewide. There is much pomp and circumstance associated with the speech. Delegations of senators and house members escort dignitaries into the House chambers where the speech is given. I was part of a four person delegation to escort the Supreme Court justices of Michigan into the chambers.

The Governor usually unveils her plans for the year and announces some new initiatives. Her theme this year was Jobs Today, Jobs Tomorrow. She laid out her plan of where she wants to lead the state and we in the Legislature listened intently.

I have listened to speeches each year by John Engler and now by Governor Granholm. When I hear things I like, I stand up and I clap. When I hear things I generally agree with, I might clap a little. If I hear things I don't like or disagree with, I try to listen respectfully.

I think this is common courtesy and it is the way government officials should conduct themselves. But as everyone knows, there is a partisan element to political life. I watched my Republican colleagues glued to their chairs during a number of points in the speech. When Granholm said that Michigan could be better than California just like the Pistons had beaten the Lakers, they sat in silence. She asked if we could all agree that everyone in Michigan should have the opportunity for a good paying job. They didn't move a muscle.

One of my Republican Senate colleagues was more open minded. He got up and clapped when he liked things. I appreciated that. I liked him even more when the guy sitting next to him tugged on his sports jacket, and he still wouldn't sit down.

Sure, there will be differences on policy, and reasonable people can disagree on many of her proposals. The Pistons over the Lakers is not one of them. I think sitting there just made them look bad.

I had to examine my own prejudices after her speech. The Governor has proposed bonding, that is, borrowing money to invest in jobs and new industries. With 7% unemployment I think that is probably the way to go. People can disagree on that. But I have been very critical of the debt President Bush has run up. The situations aren't exactly the same, but the principles are similar. How can a person say it's reasonable for the Governor to borrow, but that the President is crazy for running up our debt?

He deserves an open mind as much as the Governor. They both deserve an honest evaluation of their proposals. And when either of them say something good, we ought to be big enough to get up and clap.

Creating Job Growth

Desperate fiscal times require bold initiatives and even bolder leadership.

With the state's economy lagging and an unemployment rate that is tied for last in the nation, Governor Jennifer Granholm introduced several initiatives for consideration by the 93rd Legislature designed to jump start the state's economy and create job growth.

These initiatives are bold and will be considered by some to be controversial.

But what the Governor's proposals realizes is the need to make drastic changes in order to prepare Michigan for the 21st century economy which requires a more diversified workforce in high tech fields to stimulate job growth. They deserve a fair shake in the Michigan Legislature.

Among the proposals discussed by Governor Granholm in her 3rd annual State of the State speech:

- **Restructuring of the Single Business Tax:** One of the major criticisms of the single business tax (SBT) is that it is disincentive for job growth. Under the current configuration of the SBT, businesses end up pay more in taxes for employing more workers. The governor's plan would change this and give a SBT rate cut to more than three quarters of Michigan's businesses. The rest would pay the same rate or will see an increase.

While the actual bill language has yet to be introduced in the Legislature, the Governor's proposal would:

- cut the standard SBT rate from 1.9% to 1.2%, a 37% cut;
- cut the tax rate for small business from 2% to 1.2%, a 40% cut;
- create a 35% refundable personal property tax credit for manufacturing and Research and Development property;
- provides a tax credit for research and development investment;
- changes the SBT formula to place an emphasis on profit rather than on equipment investments, employee' salaries and health care.

The Governor's proposal is designed to be revenue neutral, where the state will not receive either an increase or decrease in revenue. In order to achieve this, the proposal calls for the elimination of some existing tax credits and breaks under the SBT and an increase in the tax rate for insurance companies, which currently pay the 4th lowest rate in the nation.

The Governor argues that her proposal is a comprehensive plan that will help manufacturers keep jobs in Michigan and would create new ones, foster further investment in research and development and allows small business to prosper while simplifying the tax code. Critics question whether the proposal is revenue neutral.

- **Bond Proposal:** The governor also called for legislative approval on a \$2 billion bond proposal to be used to fund research in new technology and emerging sectors in the economy. The plan would issue the bonds over ten years, with a goal of creating 72,000 high paying jobs. The bond proposal must pass the Michigan Legislature with a two-thirds majority so that voters may vote on the proposal in November.
- **Speeding Up Infrastructure Projects:** The Governor also proposed speeding up about \$800 million worth of infrastructure projects to create 36,000 jobs over the next three years. Some of the projects would include repairing roads, modernizing school buildings, cleaning up industrial sites for redevelopment and renovating downtown areas.
- **Reduce Unemployment by filling current Job Vacancies:** Governor Granholm also proposed the Michigan Opportunity Partnership that could place up to 30,000 citizens to work within the year by creating training programs to fill job openings in the skills trade and health care facilities.

The Governor also in her State of the State address called for an increase in the Michigan Merit Award Scholarship to \$4,000 and for a credit amnesty that would allow people to reenroll in public community colleges and universities to complete their college degrees.

Mickey's TV Insider Show

Check out my TV Insider Show coming to a television station near you. Watch me interview local guests about politics, life, issues and concerns to our district.

Sterling Heights

Every Saturday and Sunday at 12:30 p.m.
(Comcast Channel 5/WOW Channel 10)

Utica

Every Wednesday at 9 a.m.
(Comcast Channel 5/WOW Channel 10)

Clinton Township

Last week of every month- Sat thru Thurs
(Comcast Channel 5/WOW Channel 10)

Roseville

Every other Tuesday at 6:05 p.m.
(Comcast Channel 18)

*Please note that Sterling Heights/Utica/Clinton Township will show the TV Insider Show on Comcast Channel 5 and Wide Open West Channel 10. Clinton Township will air the TV Insider Show at various times during the last week of every month. Roseville can see the TV Insider Show on Comcast Channel 18.

Coffee Hours

*Please note that since the District Office is in Roseville, I do not have set coffee hours in Roseville. However, I encourage you to visit the Roseville office. We even have a coffee pot. Everyone is welcome to attend the coffee hours and discuss their issues and concerns.

Feb. 28 7-9 p.m. Location: Clinton-Macomb Public Library (35891 South Gratiot, north of 15 Mile) Clinton Township	Mar. 7 7-9 p.m. Location: Sterling Heights Public Library (40255 Dodge Park) Sterling Heights
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